

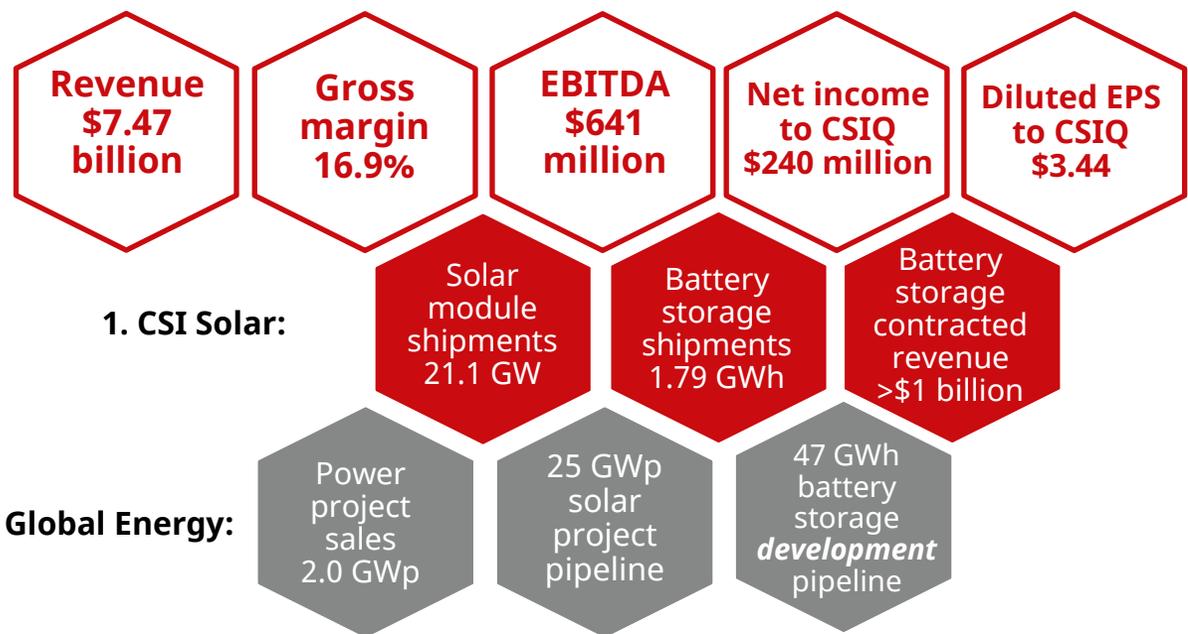
Canadian Solar 4Q22 Earnings Call

March 21, 2023

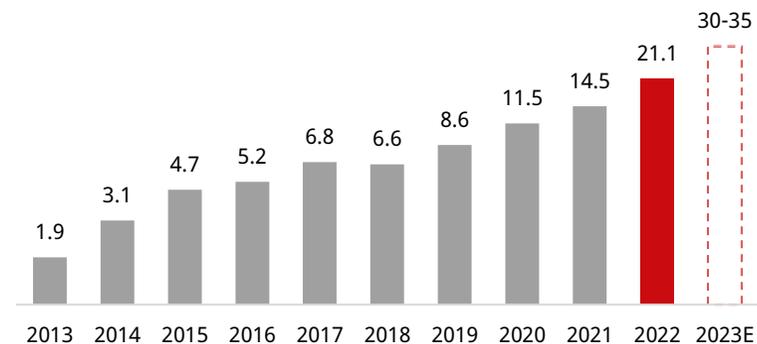
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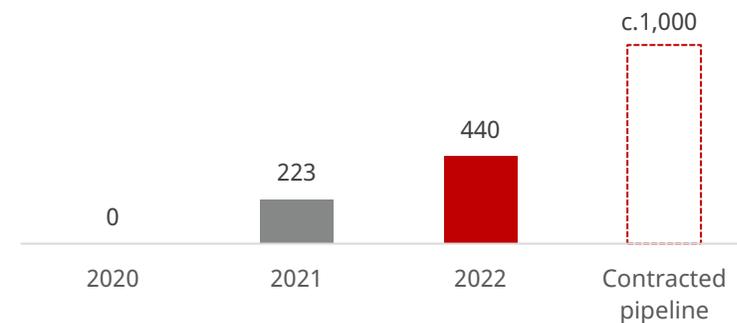
2022 review



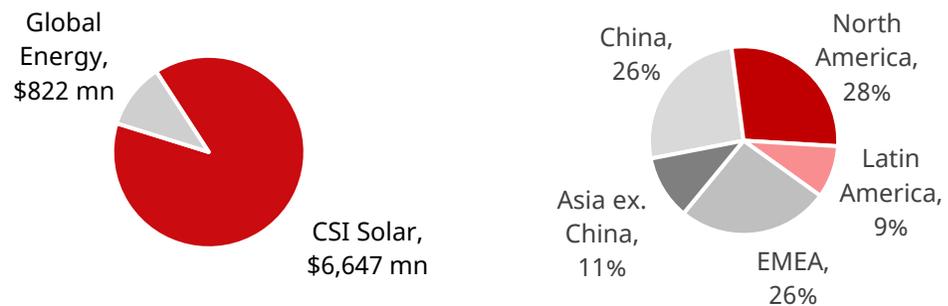
Solar Module Shipments, GW



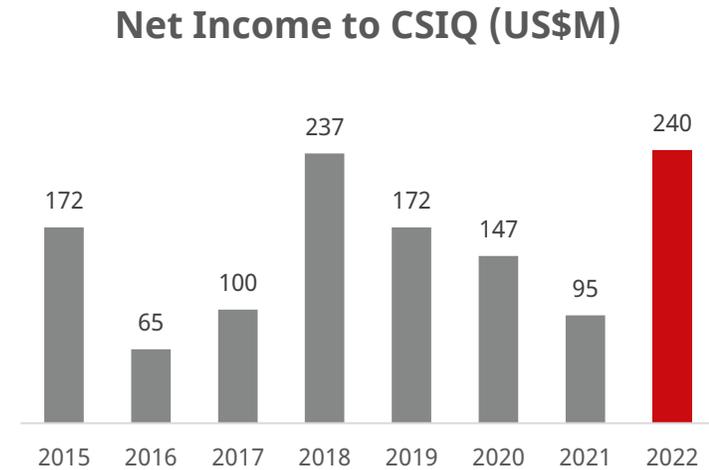
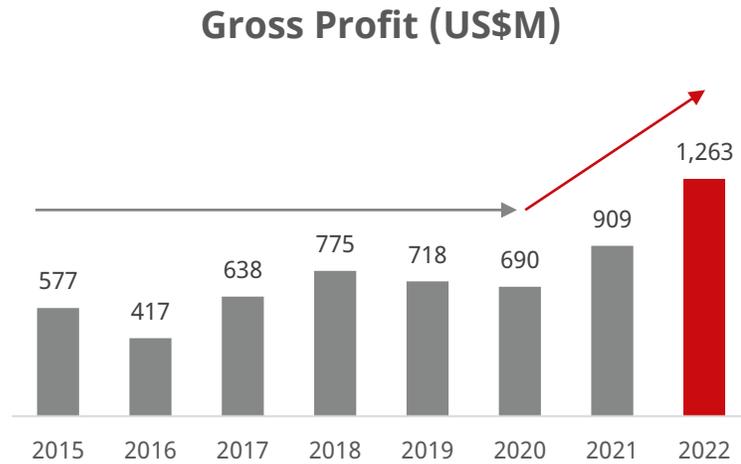
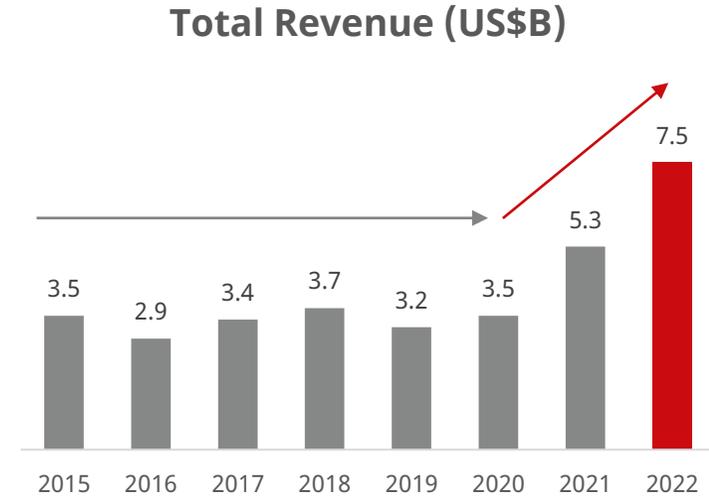
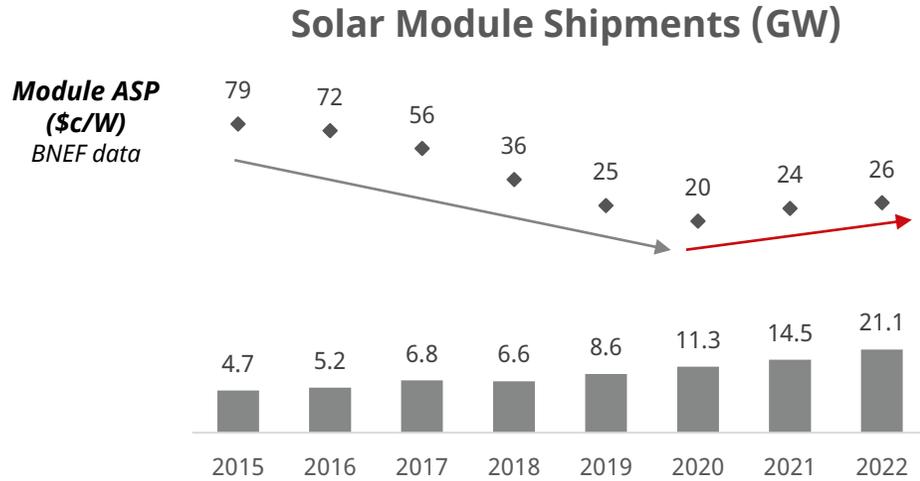
Battery Storage Shipment Revenue, US\$M



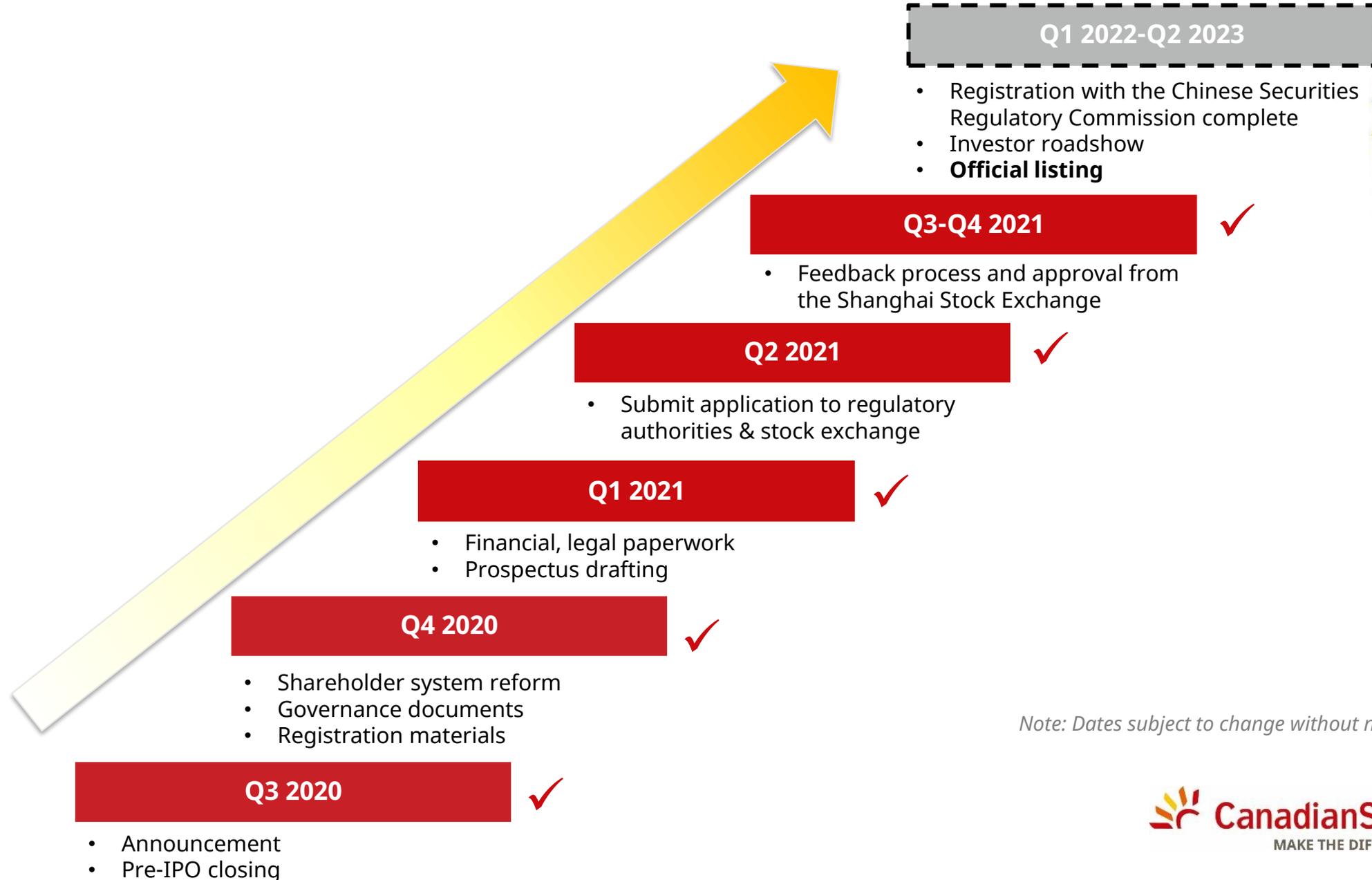
Revenue Breakdown FY22



Revenue and earnings growth turning as PV solar reaches grid parity



CSI Solar China IPO registration approved with the CSRC today



Note: Dates subject to change without notice.

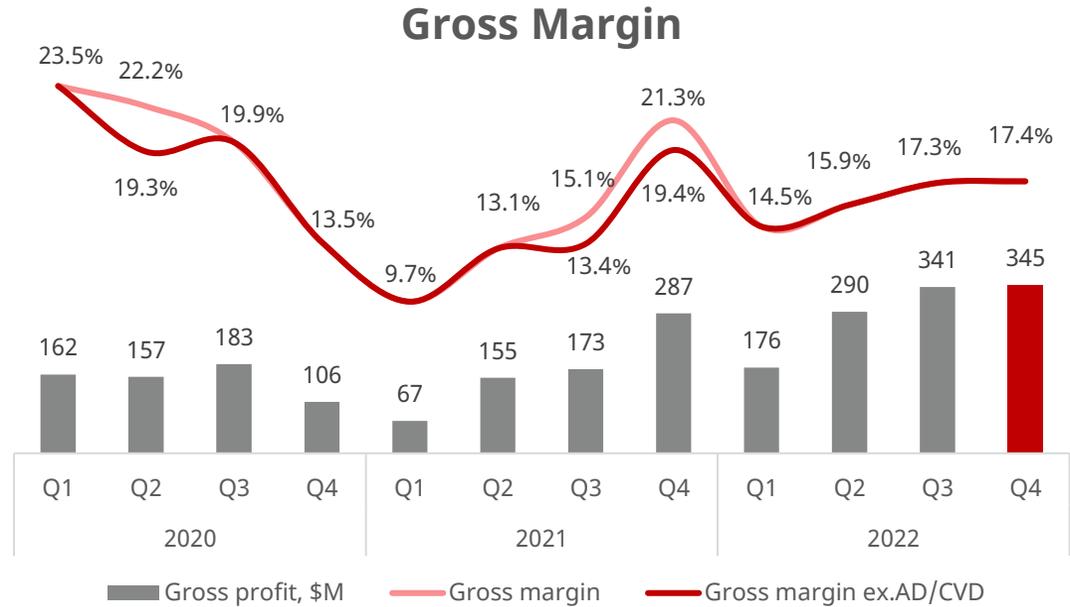
CSI Solar continued to improve profitability in Q4

CSI Solar FY2022

- 🌞 Module shipments: 21.1 GW
- 🌞 Storage shipments: 1.8 GWh
- 🌞 Revenue: \$7.0 billion
- 🌞 Gross profit: \$1.2 billion
- 🌞 Gross margin: 16.5%
- 🌞 Operating profit: \$344 million

CSI Solar Q4 2022

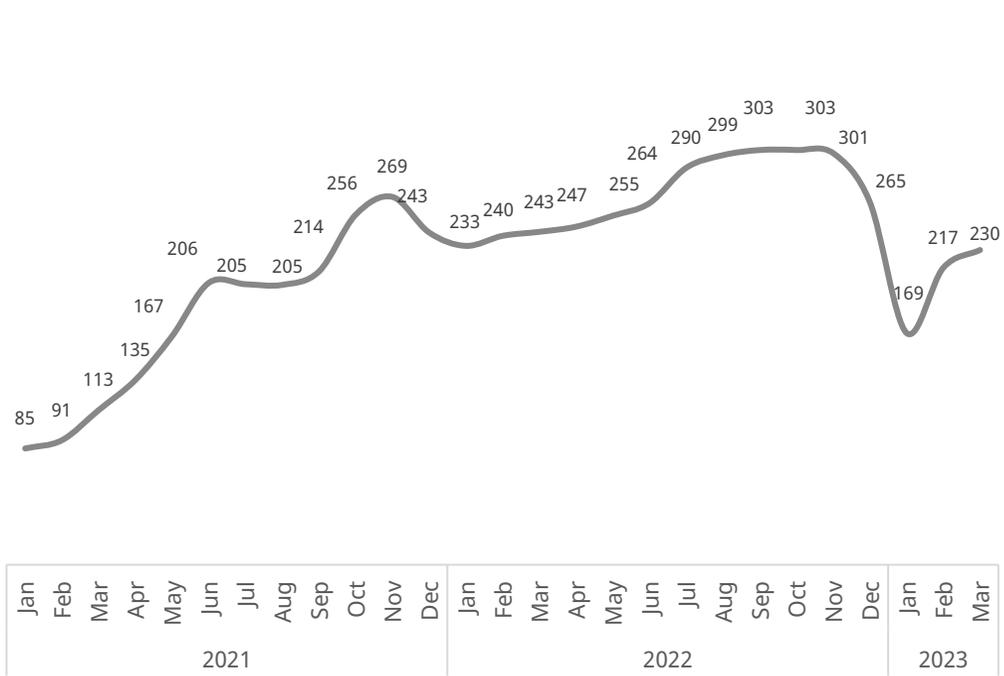
- 🌞 Module shipments: 6.4 GW
- 🌞 Storage shipments: 130 MWh
- 🌞 Revenue: \$2.0 billion
- 🌞 Gross profit: \$345 million
- 🌞 Gross margin: 17.4%
- 🌞 Operating profit: \$153 million



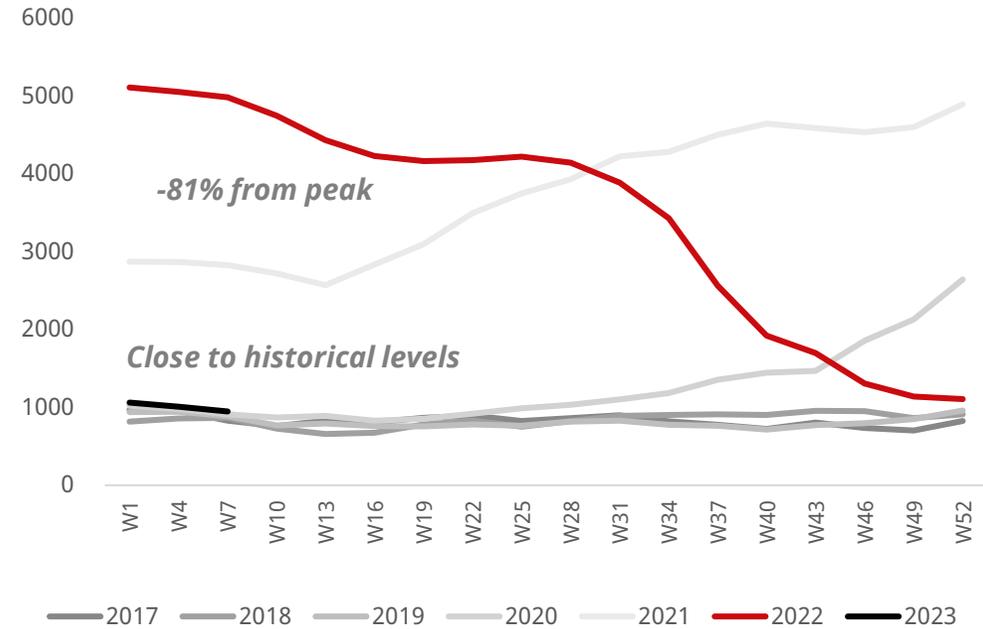
Excluding the impact of intercompany elimination.

Market trends have been volatile but are generally moving in our favor

Polysilicon price (RMB/kg)



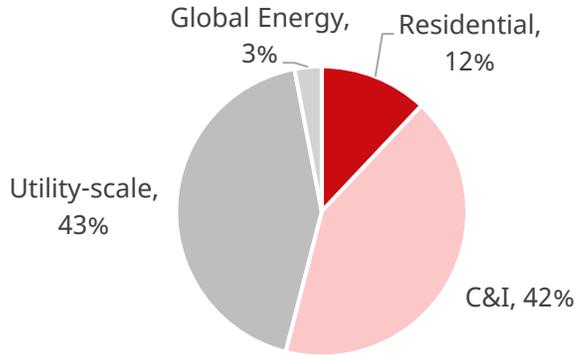
Shanghai Containerized Freight Index (TEU)



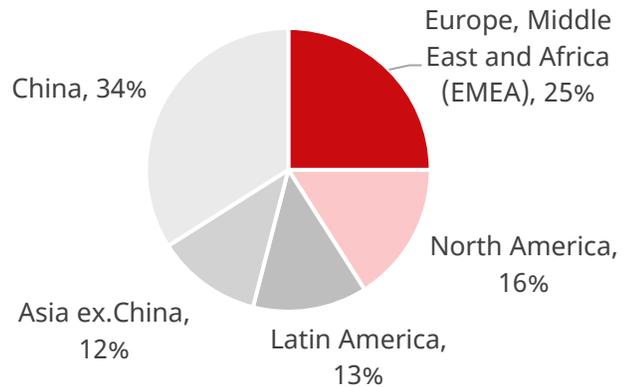
Source: PV Infolink, Shanghai Shipping Exchange, Wind.

Focus on building our long-term competitive advantage

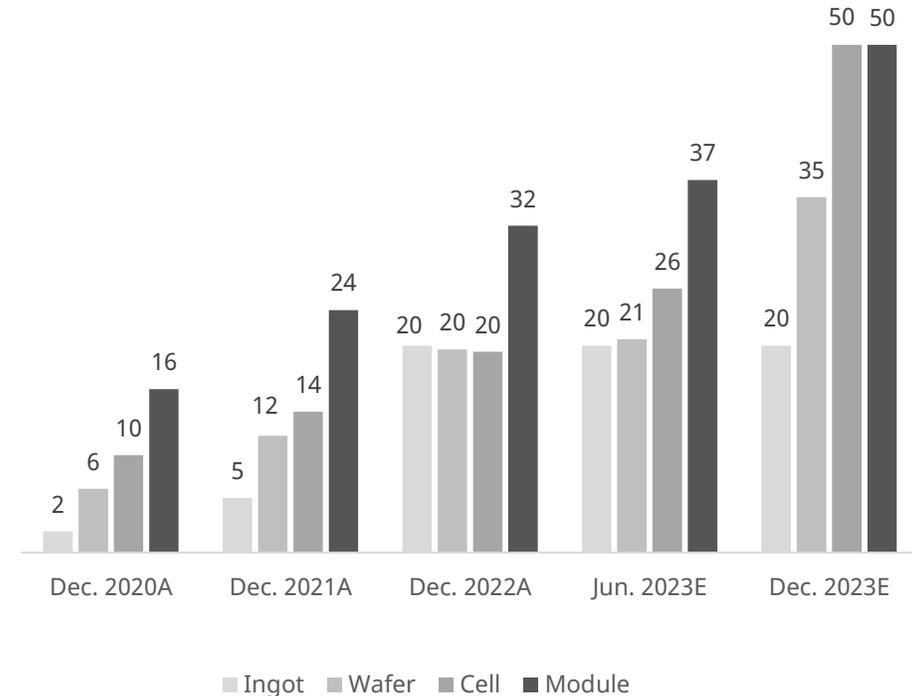
Solar module shipments by market segment



Solar module shipments by geography

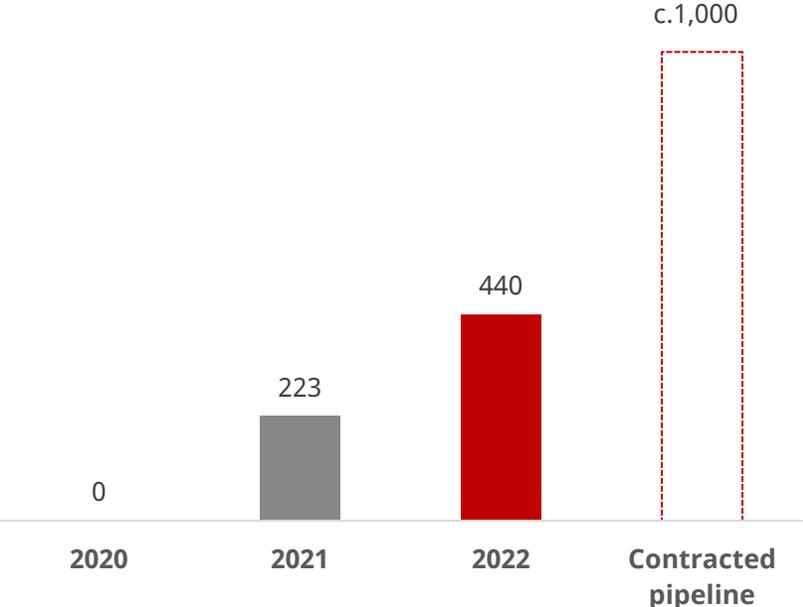


Manufacturing Capacity (GW)



Strong growth visibility with c.\$1 billion contracted revenues

Battery Storage Shipment Revenue (US\$M)



Successful global launch of our residential battery storage EP Cube product

Spain Genera February 2023



Japan World Smart Energy Week March 2023



Solar Power World editors pick the Top Solar Products of 2022

By SPW | December 5, 2022

Truly modular designs make energy storage more powerful, easier to install

As seen in Canadian Solar's EP Cube

SPW editors have only chosen a battery once in the five previous years of compiling our favorite products. That's because batteries used in energy storage systems, especially in the residential market, are mostly just gray boxes with nothing exciting on display. The highest capacity available was usually reached by Tesla with its 13.5-kWh Powerwall, but its 5-kW inverter often leads most households to default to two or more units to meet power needs.



Tesla's nickel manganese cobalt (NMC) chemistry works great, but many safety-conscious installers and homeowners are demanding more lithium-iron phosphate (LFP) brands that can easily be installed outdoors.

Enter the truly customizable and modular EP Cube energy storage system from Canadian Solar. The easy-to-expand single unit has a 7.6-kW inverter on top, stackable battery modules in the middle and all the wires condensed in the bottom plate. Each battery module averages about 3.3 kWh, making expandable capacity more affordable when someone needs a bit more than 13.5 kWh but not quite 27 kWh. The LFP-based system can be floor- or wall-mounted, and the entire unit is NEMA 4X rated — the highest outdoor rating we've seen for any ESS.

Each 3.3-kWh battery module in the EP Cube weighs around 70 lbs, which is much easier to install than the Powerwall's 250-lb system. This means fewer installer hands needed to get batteries hooked up and commissioned. It's still a gray box — but the EP Cube's metallic tint makes this ESS attractive enough to display outside anyone's home.

<https://www.solarpowerworldonline.com/2022/12/s-pw-editors-top-products-2022/>

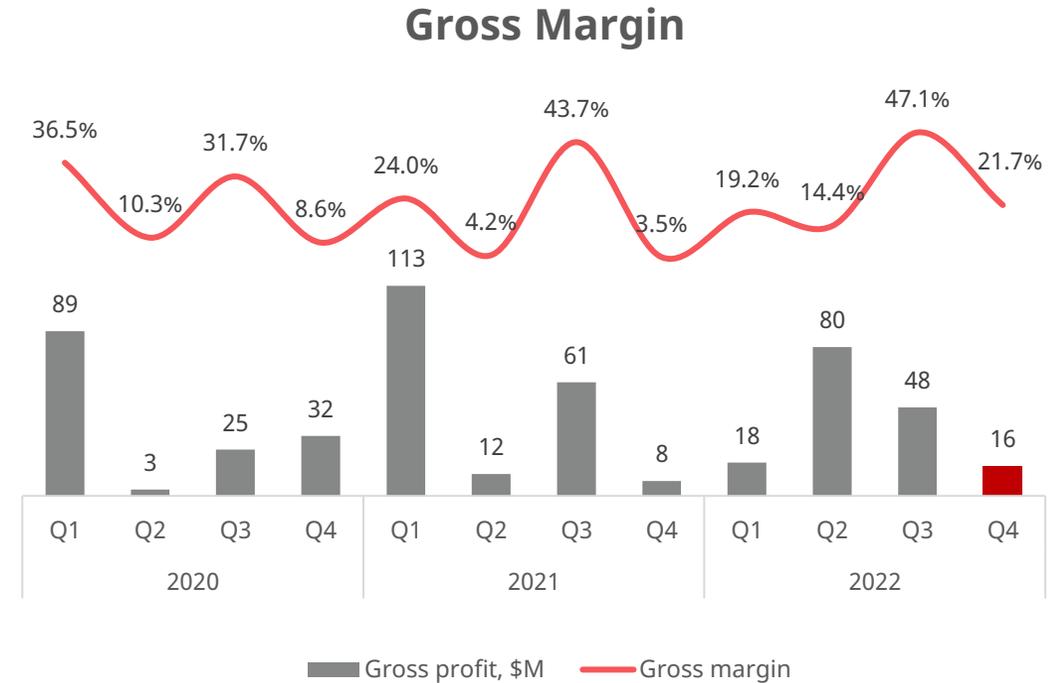
Global Energy transitioning to hold more projects longer term to capture more value

Global Energy FY2022

- 🌞 Project sales: 2.0 GW net (2.4 GW gross)
- 🌞 Revenue: \$822 million
- 🌞 Gross profit: \$161 million
- 🌞 Gross margin: 19.6%
- 🌞 Operating profit: \$80 million

Global Energy Q4 2022

- 🌞 Project sales: 240 MW
- 🌞 Revenue: \$74 million
- 🌞 Gross profit: \$16 million
- 🌞 Gross margin: 21.7%
- 🌞 Operating loss: \$1 million



One of the largest and most mature global solar & battery storage project pipelines

Solar Project Pipeline (January 31, 2023) – MWp*

Region	Construction	Backlog	Advanced Pipeline	Early-Stage Pipeline	Total
North	-	422	2,310	4,324	7,056
Latin America	1,400**	2,397**	908	510	5,215
EMEA	89	936	3,509	2,803	7,337
Japan	36	149	3	55	243
Asia Pac ex. Japan & China	-	3	135	2,058	2,196
China	250	971**	-	1,475	2,696
Total	1,775	4,878	6,865	11,225	<u>24,743</u>

c.14 GW with interconnection

Securing interconnection

Battery Storage Project Pipeline (January 31, 2023) – MWh

Region	Construction	Backlog	Advanced Pipeline	Early-Stage Pipeline	Total
North	-	-	4,098	15,382	19,480
Latin America	-	2,300	1,650	970	4,920
EMEA	-	110	2,620	9,999	12,729
Japan	-	-	-	19	19
Asia Pac ex. Japan & China	20	458	-	1,640	2,118
China	300	-	-	7,300	7,600
Total	320	2,868	8,368	35,310	<u>46,866</u>

c.12 GWh with interconnection

Securing interconnection

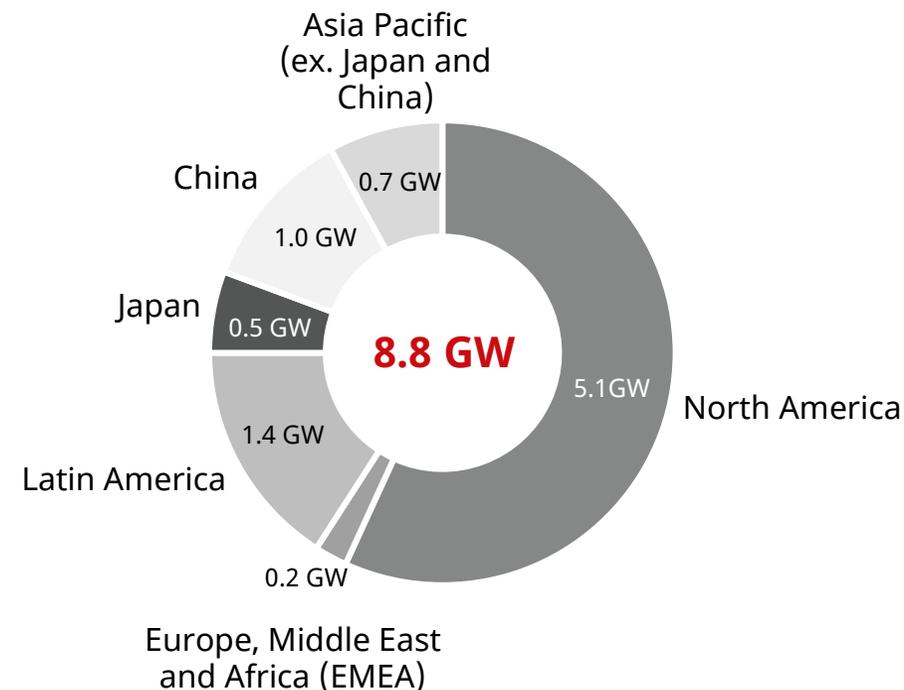
*All numbers are gross MWp

** Including 645 MWp in construction and 282 MWp in backlog that are owned by or already sold to third parties

Strong track record and multiple drivers of competitive advantage

- 🌅 **Interconnections on hand:** 13.5 GW of solar and 11.6 GWh of storage
- 🌅 **Vertically-integrated expertise:** across greenfield origination, development, financing, execution, operations and maintenance, and asset management
- 🌅 **14 years' experience:** delivered nearly 9 GW of solar and 3 GWh of battery storage power projects

Global Track Record
(developed & built)



Multiple levers of growth, focusing on recurring income

		2022A	2023E	2024E	2025E	2026E	
1	Development: Project sales	Annual project sales GWp	2.0	2.8 – 3.3	3.5 – 4.0	4.0 – 4.5	4.3 – 4.8
2	Services: O&M ⁽¹⁾ + Asset Mgmt	Operational O&M projects, GWp	3.7	7.5	11	15	20
3	Investment Vehicles: Partial ownership of solar projects	Cumulative projects retained (net & gross ⁽²⁾), MWp	417	630	1,000	1,100	1,300
			1,400	2,580	3,500	4,000	5,000

(1) O&M = Operations and Maintenance.

(2) Net projects retained represents CSIQ's net partial ownership of solar projects, the gross number represents the aggregate size of projects including the share which is not owned by CSIQ.

Note: Final timing and recognition of project sales may be impacted by various external factors. Targets are subject to change without notice; investors are encouraged to review the Risks section of the Company's annual report on Form 20-F, as amended.

Quarterly income statement highlights

<i>USD millions except per share data</i>	4Q21	1Q22	2Q22	3Q22	4Q22	qoq	yoy
Net revenues	1,529	1,250	2,314	1,932	1,972	+2%	+29%
-CSI Solar	1,343	1,210	1,816	1,973	1,976	+1%	+47%
-Global Energy	232	93	554	101	74	-27%	-68%
-Elimination	(46)	(53)	(56)	(142)	(78)		
Gross margin	19.7%	14.5%	16.0%	18.8%	17.7%	-110 bp	-200 bp
-CSI Solar margin	21.3%	14.5%	15.9%	17.3%	17.4%	+10 bp	-390 bp
-Global Energy margin	3.5%	19.2%	14.4%	47.1%	21.7%		
Selling and distribution expenses	129	109	158	166	126	-24%	-2%
General and admin expenses	90	63	88	102	89	-13%	-1%
R&D expenses	19	13	18	18	21	+15%	-7%
Other operating income	(4)	(20)	(9)	(12)	(23)		
Total operating expenses	234	165	255	274	213	-22%	-9%
Operating income	67	16	116	89	136	+53%	+101%
Net interest income or (expense)	(13)	(11)	(15)	4	(11)		
Net FX gain or (loss)	1	3	6	39	(15)		
Income tax benefit or (expense)	(27)	5	(28)	(29)	(22)		
Net income	40	9	89	102	99	-3%	+149%
Net income attributable to Canadian Solar Inc.	26	9	74	78	78	-1%	+200%
Diluted EPS	0.39	0.14	1.07	1.12	1.11*	-1%	+185%

Note: Elimination effect from inter-segment sales not included in segment margin. Please refer to 6-K for further details.

*Diluted EPS includes the dilutive effect of convertible bonds. \$1.11/share is calculated from total earnings of \$78M (including 2.5% coupon of \$1.3M) divided by diluted shares 71.3 million shares (including 6.3 million shares issuable upon the conversion of convertible notes).

Quarterly cash flow and balance sheet highlights

<i>USD millions</i>	4Q21	1Q22	2Q22	3Q22	4Q22
Working capital days	25	27	7	7	8
Operating cash (out)in-flow	(235)	159	293	68	397
Cash and equivalents	870	845	1,054	1,083	981
Restricted cash	564	849	895	872	988
Short-term borrowings	1,271	1,283	1,368	1,228	1,350
Long-term borrowings on project assets – current	322	324	154	199	94
Financing liabilities – current	30	12	18	54	49
Finance lease liabilities – current	19	17	17	15	15
Long-term borrowings	524	753	780	942	813
Convertible notes	225	225	225	226	226
Green bond*	33	33	32	30	32
Financing liabilities – non-current	54	54	45	5	-
Finance lease liabilities – non-current	31	24	22	14	14
Total debt	2,509	2,725	2,661	2,713	2,593
Net debt**	1,639	1,880	1,607	1,630	1,612
Non-GAAP EBITDA	156	81	195	183	182
Net debt / EBITDA (trailing 12 months)	3.4x	4.1x	2.9x	2.7x	2.5x
Net interest (income) or expense	13	11	15	(4)	11
EBITDA / net interest coverage (trailing 12 months)	10.0x	9.8x	11.2x	17.6x	19.4x

*The green bond is classified under other non-current liabilities.

**Net debt does not include restricted cash.

Guidance as of March 21, 2023

	Q4 2022 Actual	Q1 2023 Guidance	FY2022 Actual	FY2023 Guidance	2022-23E yoy Δ%
Solar Module Shipments	6.4 GW	5.9 – 6.2 GW	21.1 GW	30 – 35 GW	c. +55%
Battery Storage Shipments	130 MWh	n/a	1.79 GWh	1.8 – 2.0 GWh	c. +5%
Project Sales	242 MW	n/a	2.0 GW	n/a	n/a
Revenue	\$2.0 bn	\$1.6 bn – \$1.8 bn	\$7.5 bn	\$8.5 bn – \$9.5 bn	c. +20%
Gross Margin	17.7%	18.0% – 20.0%	16.9%	n/a	n/a

🌅 Q1 reflects seasonality; demand expected to accelerate through the year with 55% yoy growth in shipments in FY2023 at the mid-point of the range

🌅 FY23 revenue growth represents 20% yoy growth at the mid-point of the range



Thank you

CSIQ
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